

salt are treated along with mining. These industries, for the purpose of avoiding duplication, are excluded from manufactures, *n.e.s.* Custom and repair includes thirteen industries of which dyeing, cleaning and laundry, and automobile garages are the most important. The industrial section of the Decennial Census furnishes periodical information in regard to employment in these industries. The Census of Merchandising and Service Establishments, 1930 and 1941, provided information for estimating the operating accounts.

Considerable information regarding the following industries in the transportation-communication group is obtained from annual reports of the Bureau of Statistics: steam and electric railways, civil aviation, express, telegraphs, and telephones. As the railway companies also operate hotels, express and telegraph services, it is necessary to separate the records of these subsidiary activities, avoiding duplication with other groups. Water and road transport, warehousing and storage are also regarded as industries in this main group, the operating accounts being estimated on the basis of occupational data, furnished by the Decennial Census, and other relevant information. Trade is subdivided into wholesale and retail divisions, retail services being treated elsewhere.

Finance includes banking, trust companies, loan and mortgage, stock and bond dealers, insurance and real estate. Non-farm mortgage interest and net rentals, paid and imputed, are estimated for inclusion along with the real estate industry. Government income originating, including Dominion, provincial and municipal administration, is computed from the "Public Accounts". Educational, railway and other operations are eliminated so as to avoid duplication.

The service group consists of professional, educational and personal services. The latter is a composite of recreation, business service, barber shops and beauty parlours, undertaking, photography, hotels and restaurants, boarding and lodging houses, domestic and miscellaneous service.

*The Relationship of the Seven Major Groups.*—Two difficulties stand in the way of presenting an accurate measure of the relative importance of the seven major groups. Processing activities are combined with primary forestry, fisheries and mining in such a way that it is difficult to separate the primary and secondary phases. The practice has, therefore, been to combine processing activities with the primary industries and to report manufacturing with the duplication eliminated.

Another problem arises from the fact that Canada in the inter-war period was a heavy debtor nation and the income flowing out of the country in the form of dividends and interest was considerable. This so-called negative balance on dividends and interest has not been classified by productive sources, but is deducted from the total income produced to obtain the income realized. The result of this procedure is that primary production, which includes agriculture, the one large industry which pays no dividends or bond interest, is somewhat more important on this score in relation to the Canadian economy than the productive classification indicates.

The predominant position of commodity production is at once apparent. Primary production, including processing activities closely associated with forestry, fisheries and mining, accounted for an average of 25.2 p.c. of the income in the period 1919-42. Secondary production, including construction, manufactures, *n.e.s.*, and custom and repair, was in second place with 20.5 p.c. Trade occupied third position, accounting for 11.7 p.c., while service, government, transportation and finance followed in the order named. Primary production, affected by price changes, recorded an early